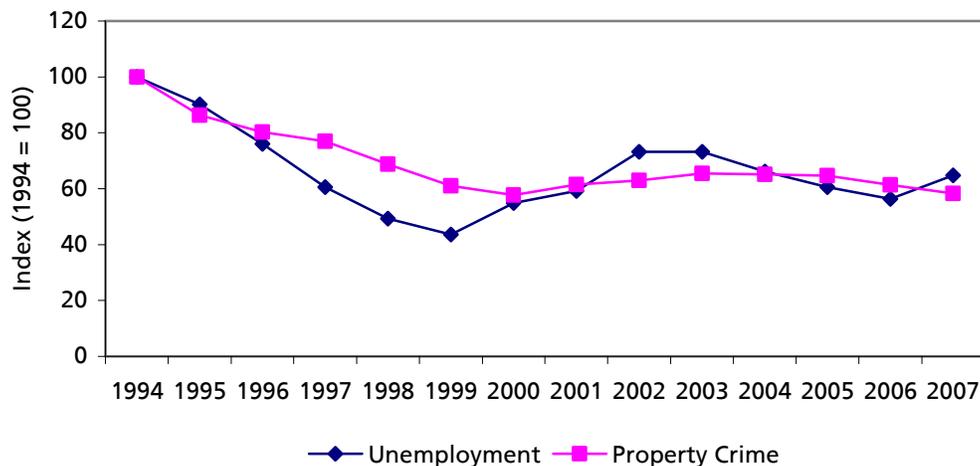


Distressed Economy and Crime: How the Two Are Related in San Diego County

It is clear that personal investments might be significantly impacted by the recent steep drop in the stock market. What is less certain is what the ripple effect of these difficult financial times will be, especially in regards to crime. Some research has shown a relationship between dips in the economy and a rise in property crime¹. In 2004, the Criminal Justice Research Division of SANDAG explored this issue by comparing unemployment rates (an indicator of the state of the economy) and property crime rates in the San Diego region. Given the current economic crisis, SANDAG thought it was timely to update this information. As Figure 1 shows, data available through 2007 indicate a strong relationship between property crime and unemployment rates. Specifically, although causality cannot be determined, over the past 14 years analysis of the data shows a strong correlation between patterns of property crime and unemployment in San Diego.

Figure 1
A STRONG POSITIVE CORRELATION EXISTS BETWEEN PROPERTY CRIME AND UNEMPLOYMENT IN SAN DIEGO COUNTY*



*Significant at $p < .01$

Note: To allow for comparison, rates were converted into an index.

SOURCES: U.S Department of Labor, Bureau of Labor Statistics; SANDAG 2008

While there are conflicting theories regarding the relationship between crime and the economy, one that supports the positive correlation argues that it is based on an increase in opportunistic crime². That is, falling wages and high unemployment create an atmosphere in which it may become easier for individuals to make the choice to commit a criminal act. The current economic downturn, combined with the unprecedented number of mortgage foreclosures (which in turn increases the possibilities of blighted neighborhoods) introduces an additional risk factor into the equation. Intensifying this

¹ Blumstein, A. & Wallman, J. (2006). The Crime Drop and Beyond. Annual Review of Law and Social Science, 2, 125 -146.

² Gould, E., Mustard, D., & Weinberg, B. (2002). Crime Rates and Local Labor Market Opportunities in the United States: 1979 – 1997. *Review of Economics and Statistics*, 84: 45-61.



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situation is the almost certain decrease in generated revenue that traditionally supports crime reduction efforts (e.g., prevention programs and law enforcement). All of these factors coalesce to create almost a "perfect storm" challenging communities to attend to possible crime increases. SANDAG will continue to monitor crime in the region, tracking any changes in the type or level of crime, especially as it relates to the economy. To learn more about the crime in the region, visit the SANDAG Web site at www.sandag.org/cjc to view the recently published 2008 Mid-Year Crime Bulletin.